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The U.S. Army in Europe uses various German Government facilities under the Status of Forces Agreement and spent \$504 million in FY 1975 to operate and maintain these facilities. Findings/Conclusions: The Army's management system in Europe produced inaccurate and incomplete facility inventory data, and efforts at improvement were not successful. Over \$15 million could have been saved in 1975 if Army personnel had used available quarters rather than off-post quarters. Many facilities were underutilized, and little was done to consolidate activities and return facilities to Germany. The Army Audit Agency estimated that such action would save about \$28 million annually. Recommendations: The Secretary of the Army should require the commander of the U.S. Army in Europe to: (1) retain only those facilities required for mission performance; and (2) return unneeded facilities to the German Government. Actions that should be included in efforts to make better use of facilities are: (1) obtaining accurate inventories of facilities; (2) stopping payment of quarters allowance for off-post quarters where adequate quarters are available; and (3) giving priority to families for whom the Department of Defense is required to provide quarters. (Author/HTW)

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# REPORT TO THE CONGRESS

02763



BY THE COMPTROLLER GENERAL  
OF THE UNITED STATES

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## U.S. Army Facilities In Europe-- Management Improvement Needed

Department of the Army

The U.S. Army Europe uses various German Government facilities under the Status of Forces Agreement. In fiscal year 1975 the Army spent \$504 million to operate and maintain these facilities. GAO estimates that over \$16 million could have been saved in 1975 had Army personnel used available quarters rather than off-post quarters.

Many facilities are underutilized. The Army Audit Agency has reported that an estimated \$28 million in operation and maintenance costs could be saved annually if activities were consolidated and unneeded facilities returned to the German Government.

This report discusses these facilities problems, what the Army did to improve its management, and recommends further improvements.



COMPTROLLER GENERAL OF THE UNITED STATES

WASHINGTON, D.C. 20548

B-133102

To the President of the Senate and the  
Speaker of the House of Representatives

This report describes (1) the weaknesses in the management of U.S. Army facilities in Europe and (2) the efforts to improve this management.

While reviewing the Army management system we found that, had the Army followed its regulations, the facilities under their control would have been more fully utilized and extra costs could have been avoided.

We made our review pursuant to the Budget and Accounting Act, 1921 (31 U.S.C. 53), and the Accounting and Auditing Act of 1950 (31 U.S.C. 67).

We are sending copies of this report to the Director, Office of Management and Budget and the Secretary of Defense.

A handwritten signature in black ink, reading "Thomas B. Staats".

Comptroller General  
of the United States

D I G E S T

The U.S. Army in Europe operates and maintains over 250 million square feet of building space in Germany, where most European Army facilities are located. The German Government makes these facilities available to U.S. forces under the Status of Forces Agreement. The agreement states that facilities no longer required by U.S. forces are to be returned to the German Government in as good condition as when they were received.

In fiscal year 1975 the U.S. Army spent \$504 million to operate and maintain these facilities.

The U.S. Army's management system in Europe produces inaccurate and incomplete facility inventory data. Efforts to improve this data have not been successful. (See pp. 4 to 6.)

The Army agreed that central oversight is needed and noted that corrective actions have been or are being taken to improve facilities management and use. The Army noted that recurring utilization reports on certain facilities are not required and that the data's accuracy depends upon those filling out the forms. Utilization depends upon onsite inspections--however, the Army does not make onsite inspections.

The Army has paid quarters allowance to bachelors living offpost when adequate installation quarters were available. The Army recognized that \$9 million could be saved annually if available quarters were used. GAO estimates that \$16.7 million could have been saved in 1975 if adequate available bachelor quarters had been used. (See p. 9.)

Although the Army did not agree with GAO's calculation method, it did not dispute the fact that personnel were living off base and

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receiving quarters allowance when quarters were available for them on base.

Regulations permit renting excess family housing to families who are ineligible for either housing or basic allowances for quarters. However, the rent the Army charges does not cover operation and maintenance costs as required by those regulations. We also found eligible families awaiting housing while ineligible families were renting housing from the Army. (See pp. 13 and 14.)

In commenting on this report, the Army stated that it is revalidating its rates and total rent income for comparison with actual unit operating and maintenance costs.

An Army Audit Agency report issued in 1974, circulated to Army officials in Europe, showed facilities to be underutilized. That report noted that about \$28 million could be saved annually if activities were consolidated and unneeded facilities returned to the German Government. (See p. 15.)

The facilities remain underutilized and very little has been done to consolidate activities and return facilities to Germany.

In several military installations, activities are spread thin throughout the facilities to show space occupancy. (See pp. 16 and 17.)

The Army noted that, with the requirements they have, some excess facilities will always exist. However, if more attention were given to the reports prepared, the number of excess facilities could be reduced.

The Secretary of the Army should require the commander of the U.S. Army in Europe to emphasize more effective facilities management and use by (1) retaining only those facilities required for mission performance, and (2) returning unneeded facilities to the German Government.

The following actions should be included in added efforts to make better use of facilities:

- Obtain a complete and accurate inventory of facilities and require periodic reporting from subordinate commands on the use of all of them.
- Stop paying quarters allowance to bachelors living off post where adequate quarters are available, and strengthen controls for issuing statements of nonavailability.
- Give priority to families for whom the Department of Defense is required to provide quarters.

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ABBREVIATIONS

BAQ	Basic Allowance for Quarters
DOD	Department of Defense
FRG	Federal Republic of Germany
GAO	General Accounting Office
USAREUR	U.S. Army Europe

## CHAPTER 1

### INTRODUCTION

We reviewed the management of facilities under control of the Air Force and the Army in Europe. We found no significant problems with the Air Force's facilities management; however, the Army's facilities management system had weaknesses. Therefore this report addresses those weaknesses found in U.S. Army in Europe (USAREUR) management and concentrates on the facilities located in the Federal Republic of Germany (FRG).

USAREUR manages over 260 million square feet of building space, and roads, airfields and other property on over 800 installations. Over 250 million square feet of this building space is in Germany. These facilities for storage, administration, community activities, living quarters, medical services, and maintenance are provided by the German Government under the Status of Forces Agreement.

The Status of Forces Agreement stipulates that the German Government will supply the facilities needed to support U.S. forces, and the United States will be responsible for operation and maintenance costs while the facilities are in U.S. custody. In fiscal year 1975, the U.S. Army spent about \$504 million for facilities operations and maintenance in Germany. The Status of Forces Agreement states that facilities no longer required by U.S. forces be returned to the German Government in as good condition as when they were received.

Responsibility for facilities management in Germany is organized along command channels. The organization consists of a command headquarters, three regional commands, 36 military communities in specified locations, and over 800 installations composing these communities.

### SCOPE OF REVIEW

Our review evaluated both Army and Air Force facility management systems. We concentrated our efforts on the Air Force and the Army because those services manage much more significant amounts of property in Europe than does the Navy. Our evaluation included the effectiveness of methods used by the Air Force and the Army to manage facilities in Europe.

We visited sites at various Air Force and Army installations and discussed facilities management with local com-

manders and other officials. We toured facilities at selected locations, reviewed records and documents, and analyzed reports.

Our site visits included Air Force headquarters, Europe (Ramstein, Germany); Air Force bases at Hahn and Spangdahlem, Germany; and at Incirlik, Turkey. We visited USAREUR headquarters (Heidelberg, Germany), the headquarters of VII Corps (Stuttgart, Germany), and the 1st Support Brigade (Kaiserslautern, Germany). We also visited USAREUR military communities in Munich, Stuttgart, Mannheim, Nuernberg, and Bremerhaven; Germany.

## CHAPTER 2

### FACILITIES MANAGEMENT

#### NEEDS MORE EMPHASIS

In 1974, the U.S. Army Europe (USAREUR) decentralized most facilities management responsibility by delegating it to the regional commanders, who delegated the responsibility to the 36 community commanders.

USAREUR's instructions to the community commander, and USAREUR's policy on facility use, however, are not explicit and do not establish utilization or disposal priorities.

The Department of Defense (DOD) publishes criteria by which the maximum allowable amount of space can be determined for administration, maintenance, and various types of community activities. Although DOD regulations do not specifically establish priorities for space utilization, Army regulations require that space diverted for use other than quarters and unit integrity space 1/ be used as quarters in communities where vacancies are not sufficient to meet housing requirements.

Greater emphasis on facilities management is needed because

- utilization information is incomplete and not always accurate;
- the management systems are not geared for identifying and releasing nonessential facilities; and
- lower level implementation of facility use policy is not effectively monitored.

Because of a lack of emphasis and guidance from USAREUR on utilization policy, bachelors at several communities were living off post and receiving quarter's allowances while adequate space was available at their installation. This is discussed in more detail on pages 8 through 12.

Commenting on this report, the Army noted that, since our audit, USARFUR has placed greater emphasis on facilities

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1/Unit integrity allowance is the assignment to a specified unit of a block of barrack spaces based on assigned strength, plus 10 percent more spaces for future unit expansion.

management and that many corrective actions either have been taken or are underway to improve management and utilization of facilities. The Army noted that USAREUR has recently published a stationing program--real property inventory utilization system--which can identify facilities for disposal, and that USAREUR is revising its regulations on space allocation and use. According to the Army, the stationing program and revised regulations will provide more definitive guidance on facilities utilization and disposal.

#### UTILIZATION DATA INACCURATE OR NOT REPORTED

USAREUR prepares utilization reports for bachelor and family housing and some storage facilities. USAREUR officials at all command levels generally consider the reported data on utilization to be inaccurate. Utilization of other facilities for administration, training, maintenance, community, and medical services is not reported.

Lack of utilization data and the inaccuracy of reported data have caused problems in assigning space for incoming units. USAREUR personnel have had to perform special studies to determine the availability of facilities before they can make stationing decisions. In one instance, the Army decided to station two battalions in a community based on the reported utilization data. The community responded that it had insufficient quarters for the battalions, and a special survey was required to verify space availability.

The Army noted that, except for housing and some storage facilities, recurring utilization reports are not required. According to the Army, USAREUR's real property inventory utilization system--under development at the time of our audit and now operational--will report utilization of most facility categories. The Army noted, however, that accuracy is dependent upon those filling out the forms, and determination of how well space is being utilized is still dependent upon onsite inspections. USAREUR, however, does not make onsite inspections.

#### IDENTIFICATION OF UNNEEDED FACILITIES NOT EMPHASIZED

Identification of unneeded property is usually initiated by local commanders, who submit release requests to USAREUR headquarters for review and approval. From January 1973 through December 1975 USAREUR approved over 300 real estate release requests received from lower commands. While this

had caused some property releases, not all nonessential property is identified and released.

According to Army comments, USAREUR directives do emphasize efficient facilities use and that those no longer required be identified. The Army noted that this is a responsibility of the major subordinate commands.

The action taken by the subordinate commands, in our opinion, has not been effective. As shown in chapters 3 and 4, units are occupying several facilities which are underutilized and could be consolidated, thereby releasing facilities and reducing maintenance costs. There are also vacant facilities that could be returned to the German Government, further reducing operation and maintenance costs.

USAREUR officials are aware that many military communities do not use all their facilities effectively. They believe, however, that without reliable data the only effective way to insure that unneeded facilities are released is to periodically inspect facilities.

#### FACILITIES UTILIZATION NOT EFFECTIVELY MONITORED

Neither USAREUR nor its corps effectively monitor facilities utilization to assure compliance with policies and procedures. Data is periodically reported to the Department of the Army on utilization of family housing, bachelor housing, and some storage space. These reports are not used by USAREUR to identify unneeded facilities or opportunities to consolidate activities. For example, utilization reports on bachelor housing are prepared by each installation and submitted through the communities and regions to USAREUR. The reports are then checked at USAREUR headquarters for completeness and mathematical errors and sent to the Department of the Army.

Department of the Army and USAREUR regulations require visual inspection of facilities. USAREUR officials stated that they do not make onsite inspections because they are time-consuming and the personnel responsible for conducting them have higher priority assignments. USAREUR officials also stated that sufficient staffing has not been allocated for the task.

The Army noted that USAREUR's new real property inventory utilization system will assist in improving facilities use monitoring.

## ARMY EFFORTS TO IMPROVE

USAREUR is attempting to obtain more accurate and complete inventory and utilization data. Recent efforts include computerizing facility utilization and inventory data, developing master plans for each community, and preparing a long-range stationing plan for USAREUR.

USAREUR's computerized information system is expected to include data on facilities (location, type, and condition) and their intended use. As noted earlier, however, the Army stated that the determination of how well space is used will still depend upon onsite inspections.

USAREUR is having problems obtaining an accurate and complete data base. In a recent attempt to identify transient quarters, it requested all installations to report the transient quarters and beds they had available. Many installations, including Heidelberg, the location of USAREUR headquarters, reported no transient quarters when in fact some were available. The inaccurate and incomplete information being submitted to USAREUR by the installations and communities is delaying USAREUR's efforts to compile inventory and utilization data on all facilities. Once obtained, the data will still be incomplete because it will not include information about the manner and extent facilities are actually being used.

### Development of master plan

USAREUR is also developing a master plan for each community, to provide information on the community composition and Army plans for its development over a 20-year period. The master plans are being prepared in three phases: an accounting of existing facilities, a comparison of present facilities with future mission requirements, and plans for future community development. We were told that the future development phase will include a section identifying unneeded facilities. Development of the master plans began about 3 years ago, and completion is a long-range goal. As of March 31, 1976, USAREUR had approved the phase I stage for only one community master plan.

We reviewed the master plans for Augsburg, Munich, Stuttgart, and Bremerhaven, none of which have been approved. They provide little more than general information, and it is questionable whether unneeded facilities will be identified when the plans are complete.

After the Army commented on this report, we obtained the following data on the master plans as of December 30,

1976. When complete, 42 plans will be submitted, 6 from European areas outside Germany.

Number of plans  
submitted to USAREUR

Phase I	-	40
Phase II	-	38
Phase III	-	38

The Army stated that all phases of the plans for three communities have been approved. Other community plans are either partially approved and/or undergoing USAREUR review. The Army did not comment on whether the approved plans will identify unneeded facilities.

Stationing plans

USAREUR is also developing its first stationing plan, which is a long-range forecast of unit moves into, out of, and within USAREUR communities. The plan will be provided to all communities for use in developing phase II of their master plans and for developing their own stationing plans. With such data, communities can anticipate facility needs and program construction and request necessary funding 5 years in advance.

The Army stated that the plan has since been published and is being used as a long-range planning document.

CONCLUSIONS

At the time of our review USAREUR was not placing enough emphasis on facilities management. The Army agreed, and stated that USAREUR has since placed greater emphasis in this area. However, according to the Army, how well facilities are being used depends upon onsite inspections, which USAREUR officials have stated they do not make.

RECOMMENDATIONS

The Secretary of the Army should require USAREUR to:

- Establish procedures for periodic onsite inspections to provide for more effective utilization of facilities.
- Obtain a complete and accurate inventory of facilities under its control, and to report annually on those facilities' utilization.

## CHAPTER 3

### USAREUR NOT EFFECTIVELY

#### UTILIZING QUARTERS

U.S. Army Europe (USAREUR) officials estimate that about \$9 million in basic allowance for quarters (BAQ) could be saved by using readily available vacant facilities. We believe the savings for BAQ could amount to \$16.7 million if bachelor quarters were more fully utilized. Also, USAREUR does not fully utilize family housing and other facilities which, if properly utilized or returned to the host country, could produce additional savings.

#### BACHELOR QUARTERS NOT FULLY UTILIZED

During 1975, more than \$19.5 million in quarters allowance was paid to about 6,100 bachelors living off post. As of July 31, 1975, an annual utilization report showed that only about 56 percent of the bachelor enlisted quarters and about 77 percent of bachelor officer quarters were being utilized for housing. Although its standards for family housing is 98 percent occupancy, USAREUR has not established a utilization standard for bachelor quarters.

The Army did not agree with these utilization percentages, noting that the computations were based on gross capacity, which includes authorized diversions and substandard space, and believes that net usable space is a more reasonable basis. We discuss this point in more detail later. The Army also stated that two additional facility reports, January 1976 and July 1976, were submitted since the date of the one we used. The Army stated that the January 1976 report shows a higher utilization rate (63 percent) for bachelor enlisted quarters. It should be noted that as late as September 23, 1976, we met with the USAREUR Chief of Staff and other USAREUR officials to obtain more recent data. The Chief of Staff advised us that updated information was not available at that time because USAREUR had not completed its 1976 analysis.

In our opinion, the Army comments about the calculation method and the data in later reports do not address the issue of personnel living off post and receiving quarters allowance while quarters are available for them.

A special USAREUR study showed that, as of July 31, 1975, vacant quarters were sufficient in 24 of the 36 communities

to accommodate all enlisted bachelors paid quarters allowance to live off base. Further, if space diverted for use other than quarters and unit integrity allowance were used for quarters, seven more communities could house all enlisted bachelors living off post and receiving quarters allowance.

In most communities, however, there are not enough quarters for all bachelor officers.

In military communities lacking enough housing, Army regulations require that (1) bachelor housing diverted to administrative and other uses be changed back to housing and (2) empty spaces reserved for unit integrity be made available to bachelors from other units.

By comparing available space, including vacant, diverted, and unit integrity allowance space, on each installation with the number of personnel receiving allowances at those installations, we determined that only 681 of the 6,119 receiving allowances could not be accommodated by their installations. Because Army policy allows personnel from the rank of major and above to live on or off base as they choose, an additional 188 persons would be eligible to live off base regardless of availability of quarters. Therefore, about 5,250 personnel living off base could be required to move into vacant Government quarters. We estimated that up to \$16.7 million could be saved in quarters allowance.

As noted earlier, the Army disagreed with our method of calculating available space; however, USAREUR officials did not disagree with our method of calculating the savings. Also, a special program to modernize U.S. facilities was in process to renovate about 10,000 bachelor quarters. When the program is complete, additional quarters will be available.

Commenting on this report, the Army stated that its policy is to reduce the number of bachelors drawing BAQ to a minimum, and that progress is being made. The Army agreed that USAREUR housing is not fully utilized, but noted that the right housing is not always available where needed. According to the Army, some places have excess housing while others have a shortage. The Army agreed, however, that improvements are needed and that steps are being taken to that end.

Undoubtedly, there are instances where available housing is not located at needed bases. But there are also instances where housing is available at the right places, yet remains

unused. Following are some communities with available quarters where enlisted bachelors were receiving quarters allowances:

<u>Community</u>	<u>Number of enlisted bachelors receiving allowance</u>	<u>Available vacancies</u>
Wuerzburg	169	152
Fulda	176	82
Giessen	428	104
Hanau	883	443
Mainz	225	53
Worms	58	51

Each of these listed communities had also enough space, diverted to other uses, to house all bachelors receiving allowances.

Policies and procedures  
not fully implemented

To be authorized quarters allowance to reside off base, military personnel must obtain a statement of nonavailability of adequate quarters, which must be certified by the community commander. Such statements should not be issued if adequate space is available at a member's assigned post. Certificates have been issued when space was available.

USAREUR regulation 405-15 defines diversion of bachelor housing to other uses as a temporary change, returnable to its original use within 72 hours, without extensive labor or additional funds. These spaces at any time should not exceed more than 10 percent of total base housing, or 1,200 spaces, whichever is less. This criteria has been exceeded.

Quarters allowances granted when  
adequate quarters are available

The Deputy Chief of Staff Engineering is aware that statements of nonavailability were being granted when adequate quarters were available. In 1974 the Army Audit Agency reported that at one installation over 100 enlisted personnel were granted quarters allowances while 300 vacant quarters were available.

According to USAREUR officials statements of nonavailability of quarters were granted in certain cases to boost morale even though quarters were available. This practice can also be detrimental because what improves the morale of a few may lower the morale of many. For example, a January

1975 memorandum to the Commander in Chief, USAREUR, stated that one installation in the Heidelberg community had a significant morale problem because bachelors from one unit were allowed to live off post while bachelors from another unit, who wanted to live off post, were denied the privilege.

Diversions not returned  
to housing

Department of the Army and USAREUR approval must be obtained before quarters can be diverted to other uses. Our analysis of the July 31, 1975, Bachelor Housing Capacities and Utilization Report showed that the total diversion rate for all USAREUR bachelor quarters was 16 percent, or 28,812 spaces. VII Corps reported 13 percent; V Corps, 20 percent; and the 1st Support Brigade, 17 percent. Some of the communities reported diversion rates of over 30 percent.

The Army stated that the majority of diverted bachelor housing in Europe is located at installations with excess housing and a shortage of administrative and storage space. As shown below, our discussions with community commanders disclosed other reasons for not converting the space back to quarters use.

USAREUR officials stated that the overall diversion rate was probably closer to 25 percent, because many diversions are unreported. A survey of communities made by the VII Corps Internal Control Division showed that of 1,861 spaces actually diverted at 11 installations, only 127 had been properly approved. A similar survey showed unauthorized diversions at the Heidelberg community. Bachelor officer quarters space had been diverted to administrative space while officers and civilians were living off post and receiving quarters allowance.

We asked commanders and administrative personnel at three communities why diverted quarters spaces were not being converted back when needed for bachelor housing. The responses were:

- Consideration has not been given to returning space to quarters.
- It would take too long to do so.
- If this were done, some space would have to be found for the activities moved out.

--Cost advantages and other considerations would have to be weighed before converting the space back to quarters.

ARMY EFFORTS TO MORE FULLY  
UTILIZE BACHELOR QUARTERS

During the latter part of 1975, USAREUR issued a supplement to Army regulations requiring new procedures for the issuance and control of statements of nonavailability of quarters, as well as requiring a letter requesting the regional commanders' assistance in getting bachelor personnel back on post where vacancies exist.

USAREUR's new procedures provided that the authority to issue statements of nonavailability was to be centralized under the community commander and a control copy was to be maintained at his headquarters. It also required revalidation of statements in effect as of November 1, 1975.

Some communities did not fully centralize the authority to issue and control the statements at community headquarters. For example, the greater Stuttgart military community still allows the installation coordinators authority to approve statements of nonavailability for enlisted personnel in grade E-1 through E-6. These are not reviewed by the community headquarters, nor is a control copy maintained there.

In the Mannheim military community the family housing officer is responsible for issuing and controlling statements of nonavailability of quarters for only senior enlisted bachelors quarters and bachelors officer quarters. Proof of nonavailability for junior enlisted personnel is still provided by the unit commanders and installation coordinators. A copy is not kept by the community headquarters.

The Army's analysis of the July 1975 Bachelor Housing Capacities and Utilization Report showed that 3,697 of those receiving allowances might be accommodated in on post vacancies, saving up to \$9 million. As a result, USAREUR sent a letter to the Regional Commanders requesting their assistance in returning bachelors, living off post and drawing allowances, to post quarters where adequate quarters were available.

Most communities contacted by us or the USAREUR Headquarters staff had sent letters to their subcommunities or installations asking for their assistance in returning bachelor enlisted personnel to post, where vacancies exist. The communities had little success. For example, the Nuernberg family housing officer stated that once a person is allowed

to live off post it is hard to get him to move back.

FAMILY HOUSING NOT  
EFFECTIVELY USED

DOD policy permits assigning military housing to certain persons not eligible for either housing or basic allowance for quarters. As of December 31, 1975, there were 610 ineligible families occupying Government quarters in USAREUR on a reimbursable basis. The rent charged for the units is computed by USAREUR and, according to regulation, should be sufficient to recover the Government's operating costs. The costs include related administration service charges such as refuse collection and disposal; utilities; furnishings repair and replacement; and maintenance and repair of dwelling units, common areas, and other related real property. We found that the rental rates are actually based on proration of the family housing funds budgeted for all family housing quarters throughout USAREUR and do not include all overhead costs incurred by USAREUR in managing the family housing management account for the units. Thus, the costs to operate the units are not being recovered by USAREUR.

USAREUR officials stated that 227 employees of the Army and Air Force Exchange Services occupy Government quarters in Munich for a total rent of \$627,120 per year. If USAREUR average maintenance and repair costs as well as the management costs were included in the rental computations, the rent necessary to cover all costs could be \$900,000. USAREUR officials stated that the primary reason they do not include all related costs (such as the administrative overhead incurred in managing the family housing funds) is that it is impossible to determine how much of the costs are applicable to each housing type. We believe that if USAREUR decides to retain these facilities, the full cost to the Government should be recovered and that, when specific cost data is not available, reasonable estimates should be made.

The Army stated that USAREUR is revalidating its rates and total renter income for comparison with actual costs incurred for operation and maintenance of the unit.

We noted that contractor and foreign national employees and college students are also occupying Government quarters on a reimbursable basis. No report is made of the full extent of such uses or whether the full cost to the Government is being recovered.

The Army agreed that USAREUR does have ineligible personnel occupying excess housing. The Army stated that such assignments are in accordance with appropriate regulations and are closely controlled.

According to USAREUR regulation 210-50, ineligible personnel can only be assigned excess housing. However, an analysis of the December 31, 1975, report on utilization showed that in 14 family housing areas in Germany reporting below 98-percent utilization, three had ineligible families occupying quarters while eligible families were awaiting assignment to quarters. These families awaiting quarters were receiving station housing allowance while living on the economy, and at the same time USAREUR was not recovering full costs for housing occupied by those ineligible families.

### CONCLUSIONS

USAREUR is not enforcing its policy that facilities requirements be met at the least possible cost to the Government. It is paying quarters allowances to bachelors living off post when adequate quarters are available at their installations. Even though USAREUR issued a supplement to the regulations to establish better control over the issuance of statements of nonavailability, the results have been less than satisfactory. Also, USAREUR is not collecting the total operating costs of housing occupied by ineligible families in Germany.

### RECOMMENDATIONS

The Secretary of the Army should require that USAREUR:

- Cease payment of quarters allowances to bachelors living off post when adequate quarters are available at their installations.
- Comply with regulations to control the issuance of statements of nonavailability of quarters.
- Give priority to those families awaiting assignment of Government quarters which are occupied by ineligible families.

In view of the Army's comment that USAREUR is revalidating its rental rates for comparison with costs for operating and maintaining the units (see app. II), we are not making a recommendation concerning the rental for housing occupied by ineligible families.

## CHAPTER 4

### POTENTIAL FOR CONSOLIDATING AND RELEASING UNDERUTILIZED FACILITIES

In a 1974 report on USAREUR's facilities management, the Army Audit Agency noted that many facilities were not fully and effectively utilized. Most units and activities had more space than authorized or needed. The report recommended that USAREUR review and analyze facilities utilization theater-wide, to (1) identify underutilized facilities, (2) consolidate Army activities at fewer installations, and (3) close and release unneeded facilities.

Facilities are still underutilized. USAREUR headquarters officials, as well as Corps- and community-level officials, are aware of underutilized facilities at the Augsburg, Munich, Stuttgart, and Bremerhaven communities, but are doing little to correct the situation.

The Army Audit Agency estimated that about \$28 million could be saved in operation and maintenance costs if underutilized facilities were consolidated and unneeded facilities released to the German Government.

#### BACHELOR QUARTERS UNDERUTILIZED

Army reports on utilization of bachelor enlisted quarters showed as of July 31, 1975, a utilization rate of only 56 percent throughout USAREUR. If all 6,100 bachelor personnel living off post were to move back on, about 20,000 vacant spaces would still exist. This will be increased to about 30,000 when the special renovation program is complete. Army commanders have access to these reports which, in our opinion, can be useful in identifying opportunities for consolidating and releasing facilities. Bachelor enlisted quarters being unused or unneeded for other essential purposes should be released.

The Army stated that USAREUR has more than 800 installations, and the excess space is scattered throughout them in small packets. The Army noted that, due to imbalance between activities space requirements and the available space at a given location, there will always be some excess. We recognize that this imbalance can cause some excess space at some locations. We believe, however, that closer attention to facilities management would help reduce the utilization problem-- and the maintenance of excess facilities--illustrated by the following data.

As of July 31, 1975, 11 of the 36 communities reported utilization rates for bachelor enlisted quarters of 70 percent or less. Six of these reported less than 50 percent. By installations, the reports show 81 installations with a utilization rate for bachelor enlisted quarters of less than 70 percent. (See app. I.) Nine of these installations--mainly abandoned missile or communications sites--showed zero percent utilization. However, some other installations showing low utilization are large troop housing areas.

#### OTHER FACILITIES UNDERUTILIZED

We visited the military communities at Munich, Bremerhaven, and Augsburg, and examined floor plans, toured some facilities, and spoke with local officials. Several facilities in these communities are underutilized and offer potential for consolidation and release to the German Government.

##### Munich military community

The U.S. Government is paying nearly \$8,000 annually for renting buildings to house a military unit when adequate free facilities are available at nearby McGraw Kaserne. It appears that the unit should be moved to McGraw Kaserne and the rented buildings released.

A postal facility at the train station in Munich is being retained, although sufficient space has been identified as available in McGraw Kaserne. This postal facility was recommended closed and moved to McGraw Kaserne in February 1975. The estimated cost of the move (\$10,000) produced an annual savings estimated at \$20,000. USAREUR requested the release be deferred pending relocation of postal activities. As of April 1976 release action has not started on this facility.

Five transient billeting facilities close to one another are less than 50-percent occupied. If the personnel were consolidated in two or three barracks, the other barracks could be returned to the German Government, reducing operating and maintenance costs.

We observed many examples of vacant and underutilized administrative space in several other buildings. For example, USAREUR retains a mess hall that has been closed for lack of utilization since December 1, 1974. About half of two floors are vacant and some of the installed equipment is still in place, but we understand there are no present plans to reopen it.

Activities at Munich are dispersed throughout the military community to occupy available space. For example, employees authorized only 90 square feet of office space were occupying 300 square feet. Also, 10 enlisted military personnel, who are authorized only 90 square feet each for living quarters, were each occupying 180 square feet.

#### Bremerhaven military community

The Bremerhaven military community also showed low facilities utilization for several years; Army activities were spread thir throughout the military community to occupy all available space.

Support Group officials agreed with our observation that only about 30 percent of the Bremerhaven hospital is being used for hospital functions. The remaining 70 percent is used by other activities, such as Girl Scout and Boy Scout meeting places, a retail store, a barber shop, a community drug and alcohol counseling center, a snack bar, a Stars and Stripes bookstore, and other unrelated hospital activities.

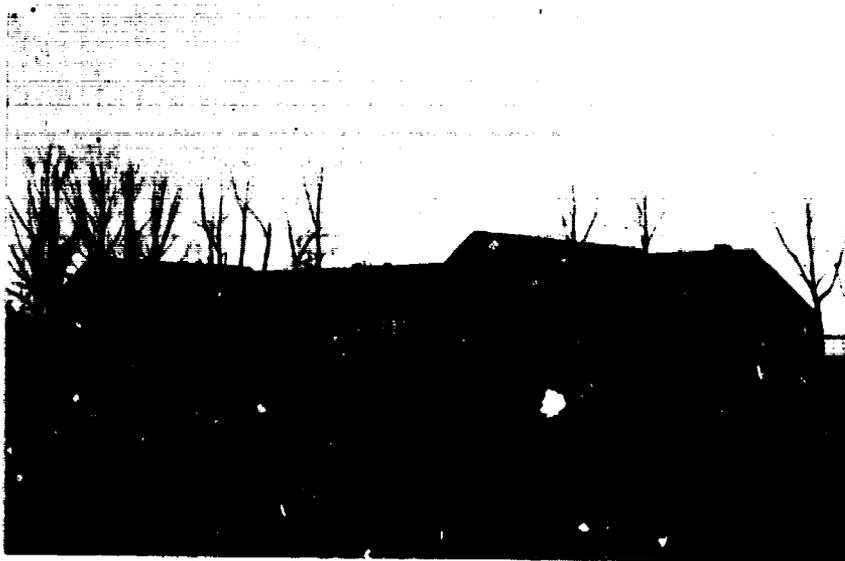
Other examples of low utilization in the Bremerhaven community are shown in the following photographs:



Community officials stated that this administrative building above was only about 25-percent utilized.



The building above was also used for administrative functions. An official estimated that less than 50 percent of its space was used.



**The administrative building shown above, with at least 56,000 square feet of net usable space, has been vacant for nearly 3 years.**

Community officials stated that the Navy vacated the building directly above in 1973 and that, since that time, at least \$22,000 has been expended on repair and maintenance. We observed that the building's interior was in relatively poor condition and would require major construction improvements to become usable. Those officials stated that the building had been left vacant for 3 years because of the costs to upgrade it, but it has been retained for contingencies.

USAREUR officials stated that the Bremerhaven facilities would be used fully within 2 years because Brigade '76 is to be stationed there.

### Augsburg

Most buildings at Gablingen Kaserne have been unoccupied for over 8 years. Because a special Army agency field station was installed at that kaserne, these buildings remain unoccupied. According to agency officials, any use of the vacant buildings would seriously impair their mission. In October 1975 the Augsburg military community commander stated that the buildings were almost impossible to maintain due to their age and the prohibitive cost to restore them to a usable condition. He further stated that no foreseeable need existed for the structures, either by German or U.S. forces, and requested assistance from USAREUR in getting several structures at Gablingen demolished. The agency concurred with demolition of the buildings, which is estimated to cost about \$400,000.

In March 1976 USAREUR requested that the agency provide funds to either maintain or demolish the vacant buildings. USAREUR stated that, because the Security Agency operation

prohibits USAREUR occupancy of vacant buildings, Gablingen Kaserne must be considered a single-function facility to meet unique tenant requirements, and the agency must provide the funds. The agency replied in March that they did not believe their command should be programing, budgeting, and funding for that purpose. As of April 1976 USAREUR and the Security Agency had not resolved the issue.

The generally poor condition of some of the buildings is illustrated by the following picture. The German news media and Augsburg city officials have occasionally complained about the appearance and condition of the unoccupied buildings at the Gablingen Kaserne. The original annoyance expressed by the German press was over six buildings adjacent to a heavily traveled highway.



#### Retention for long-range contingencies

Retaining facilities for unforeseen future contingencies seems to be a major factor in commanders' decisions to retain nonessential facilities.

The USAREUR Deputy Chief of Staff for Engineering and other USAREUR officials stated that the Army does not release some unneeded facilities to Germany because, by retaining them until the German Government wants them, the Army improves its bargaining position for alternate facilities needed in the future. Since the Status of Forces Agreement requires that Germany provide needed facilities to U.S. forces, this reservation appears questionable. Those officials also stated that USAREUR does not keep records or make reports on facilities

specifically retained for this reason or for future contingencies.

Space is needed for contingencies such as adding new forces and moving active forces from one location to another. USAREUR officials stated that new forces will be moved into Augsburg, Wiesbaden, and Bremerhaven because of the underutilized space in those communities. Moves presently being considered are (1) the European Command headquarters from Stuttgart to Mons, Belgium, (2) the University of Maryland from Munich to Stuttgart, and (3) two Army schools from Bremerhaven to Munich.

The Army noted that three USAREUR schools have been moved to Munich from Bremerhaven to make room for expansion there.

The personnel spaces for these schools are shown in the following table:

<u>Positions affected</u>	<u>Race relations</u>	<u>Drug and alcohol abuse</u>	<u>Resource management</u>	<u>Total</u>
Officers	5	1	0	6
Enlisted	7	3	0	10
Civilians	<u>0</u>	<u>2</u>	<u>4</u>	<u>6</u>
	12	6	4	22

The Army stated that as of April 1977 the Augsburg area is no longer underutilized. Two artillery battalions are now stationed there. USAREUR has also taken the initiative to resolve the Gablingen Kaserne (Augsburg community) problem. Activities there will be consolidated and unused facilities returned to the FRG. The Army agency was instructed to plan accordingly.

According to the Army, the recent decision to locate units in Northern Germany will eliminate underutilization of the Bremerhaven facilities, which will be expanded to meet identified needs of both the Army and Air Force.

USAREUR also plans to move selected units into the Stuttgart area following the relocation of certain units currently in place. Projected time frame is July/August 1978.

#### CONCLUSIONS

The actions taken or planned may produce more effective facilities management at Augsburg and Bremerhaven. We be-

lieve, however, that the actions planned for Munich will not produce better facilities utilization.

#### RECOMMENDATIONS

With regard to the Munich facilities, we recommend that the Secretary of the Army require USAREUR to

- relocate activities now in rented space into available free space where possible,
- prepare a plan for consolidating activities and identify those facilities which are not needed and available for release to the Federal Republic of Germany, and
- prepare a justification for retaining those facilities showing a low utilization rate.

EIGHTY-ONE USAREUR  
INSTALLATIONS SHOWING  
UTILIZATION OF AVAILABLE SPACE

<u>Community/Installation</u>	<u>Usable space</u>		<u>Spaces used for qtrs.</u>	<u>Percent of spaces used for quarters</u>	
	<u>Gross</u>	<u>Net</u>		<u>Gross</u>	<u>Net</u>
VII Corps					
Ansbach					
Bleidorn Kaserne	617	555	342	55	62
Aschaffenburg					
Brettsell Com. Facility	33	30	8	24	27
Augsburg					
Gablinger Arfld. Flak Kaserne	1,305	1,175	0	0	0
Sheridan Kaserne	1,153	851	510	44	60
	3,256	2,553	1,429	44	56
Bamberg					
Harris Barracks	136	140	79	58	56
Garmisch					
Sheridan Barracks	418	355	97	23	27
Strub Barracks	164	121	60	37	50
Goeppengen					
Hohenstadt	34	31	11	32	35
Heilbronn					
Reisenbach Com.	40	36	12	30	33
Munich					
Family Housing Chiemgau	1,200	904	225	19	25
New Ulm					
Wiley Barracks	2,125	1,484	882	42	59
Nuernberg					
Johnson Barracks	923	794	550	60	69
Monteith Barracks	1,596	1,336	894	56	67

## APPENDIX I

## APPENDIX I

<u>Community/Installation</u>	<u>Usable spaces</u>		<u>Spaces used for qtrs.</u>	<u>Percent of spaces used for quarters</u>	
	<u>Gross</u>	<u>Net</u>		<u>Gross</u>	<u>Net</u>
VII Corps					
7th Army Training Area					
Camp Wildflecken	3,178	2,619	1,210	38	46
South Camp Vilseck	1,988	1,732	817	41	47
Radio Station					
Schneebe	45	45	0	0	0
Hohenfels Training Area	6,096	5,424	1,255	21	23
Stuttgart					
Boeblingen					
Maintenance Plant					
	184	166	0	0	0
Flak Kaserne	1,043	621	407	39	66
Funker Kaserne	592	382	229	39	60
Hospital Bad Cannstadt					
	377	339	105	28	31
Coffey Barracks	947	717	463	49	65
Karls Kaserne	130	124	0	0	0
Ludendorf Kaserne	841	634	396	47	62
Murphy Barracks	195	175	0	0	0
Robinson Barracks	405	354	166	41	47
Valdez Barracks	91	82	47	52	57
Wuerzberg					
Hindenburg Kaserne	517	465	116	22	25
Nike Site Mainbullau	117	105	2	2	2
Leighton Barracks	912	741	481	53	65
V Corps					
Bad Kreuznach					
Anderson Barracks	648	542	184	28	34
Baumholder					
WC Welzel Kaserne	320	203	129	40	64
Nabollenbach	270	192	130	48	67
Hospital Neubruecke	534	432	225	42	52
Reitscheid Nike Site	105	94	0	0	0
Comsite Erbeskopf	6	5	0	0	0
Darmstadt					
Ammunition depot Muenster					
	324	265	145	45	55

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<u>Community/Installation</u>	<u>Usable spaces</u>		<u>Spaces used for qtrs.</u>	<u>Percent of spaces used for quarters</u>	
	<u>Gross</u>	<u>Net</u>		<u>Gross</u>	<u>Net</u>
V Corps					
Cambrai	1,823	1,061	697	38	66
Frankfurt					
Hansa Allee Family Housing	459	276	189	41	69
Gibbs Kaserne	1,000	769	526	53	68
Gutleut	1,061	688	299	28	43
Michael	137	111	20	15	18
Frankfurt					
QM Mortuary	16	14	9	56	64
FKT Troop Housing	402	284	122	30	43
Frankfurt AFN Station	89	24	15	17	63
Giessen					
Friedburg Training and Storage Area	41	7	9	22	24
Pendleton Barracks	580	419	179	31	43
Com. Site Linderhofe	79	48	17	22	35
Bocksberg	10	9	6	60	67
Hanau					
Hutier Kaserne	915	549	343	37	62
Mainz					
Camp Pieri	837	730	279	33	38
1st Support Brigade					
Bremerhaven					
Hospital Bremerhaven	120	108	46	38	43
Com. Facility					
Garlstedt	21	19	0	0	0
Carl Schurz Kaserne	1,149	1,149	268	23	23
Heidelberg					
Hospital Heidelberg	294	235	94	32	40
Tompkins Barracks	1,116	879	493	44	56
Koenigstuhl Radio Relay Station	29	26	18	62	69
Kaiserslautern					
Kriegsfeld Ammunition Depot	461	371	161	35	43

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<u>Community/Installation</u>	<u>Usable spaces</u>		<u>Spaces used for qtrs.</u>	<u>Percent of spaces used for quarters</u>	
	<u>Gross</u>	<u>Net</u>		<u>Gross</u>	<u>Net</u>
Einsiedlerhof					
Medical Depot	450	252	0	0	0
1st Support Brigade					
Miesau Army Depot	858	711	305	36	43
Bann Commo. Station	10	9	6	60	67
Kleber Kaserne	2,170	1,730	1,129	52	65
Landstuhl Hospital	1,581	1,283	707	45	55
Panzer Kaserne	779	268	130	17	49
Kapaun Barracks	1,962	1,106	575	29	52
Daenner Barracks	1,050	945	487	46	65
Karlsruhe					
Neureut Kaserne	1,244	1,030	674	54	65
Pforzheim Missile Site	88	79	0	0	0
Rheinland Kaserne	1,203	894	573	48	64
Smiley Barracks	326	290	189	58	65
Mannheim					
Funari Barracks	536	425	247	46	58
Hammonds	422	299	193	46	66
Spinelli	1,116	840	538	48	64
Taylor	1,030	776	346	34	45
Primasens					
Dahn Ammunition Depot	202	182	15	7	8
Hustephohe Kaserne	3,023	1,948	1,343	44	69
Primasens					
Primasens Storage	268	241	42	16	17
Worms					
De La Police	73	41	27	37	66
Taukkunen Barracks	616	510	101	16	20
Zweibruecken					
Kreuzberg Kaserne	<u>1,116</u>	<u>652</u>	<u>301</u>	27	46
Total	<u>63,627</u>	<u>49,110</u>	<u>23,324</u>	37	47
All other BEQ spaces in Germany	<u>116,188</u>	<u>77,076</u>	<u>76,990</u>	66	99

Grand total	<u>179,815</u>	<u>126,186</u>	<u>100,314</u>	56	79
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- 1/ Gross capacity is the total number of individual rooms planned for sleeping purposes.
- 2/ Net capacity equals gross capacity minus diverted spaces and unit integrity allowance.



DEPARTMENT OF THE ARMY  
OFFICE OF THE ASSISTANT SECRETARY  
WASHINGTON, D.C. 20310

Mr. Fred J. Shafer  
Director, Logistics and  
Communications Division  
General Accounting Office  
Washington, D. C. 20548

Dear Mr. Shafer:

This is in reply to your letter of 16 December 1976 to the Secretary of Defense regarding your draft report, "Improvements Needed in Managing U. S. Army Facilities in Europe," OSD Case #4491.

With the exception of a few areas discussed more fully in the attached comments, the Army concurs with most of the recommendations and agrees that various aspects of the management and utilization of facilities in Europe require improvement over those existing at the time of the GAO audit. Corrective actions are underway by US Army Europe (USAREUR) to improve the management and utilization and significant improvement has been made in that direction.

It is recognized that more work needs to be done and that many of the corrective actions will take additional time to achieve the desired degree of improvement. The Department of the Army intends to insure that USAREUR continues its efforts to manage and to utilize properly its facilities. These areas will be looked into during the Army Inspector General and Auditor General's FY 1977 general inspection of USAREUR/ Seventh Army scheduled to commence o/a 25 April 1977.

Specific comments to your report are inclosed.

Sincerely,

*John Perkins III*  
John Perkins III

Acting Deputy for Installations and Housing  
OASA(I&L)

1 Incl  
Comments



Department of the Army Comments  
on  
GAO Draft Report of 16 December 1976

"Improvement Needed in Managing  
U.S. Army Facilities in Europe"  
Code 945267  
D Case No. 4491)

I. Finding: US Army Europe (USAREUR) has not placed sufficient emphasis on facilities management resulting in inaccurate and incomplete inventory data. Efforts to improve this data have not produced the desired effect of more accurate inventory data.

Specific Findings:

1. In 1974, USAREUR decentralized most facilities management responsibility by delegating it to the regional commanders, who in turn delegated it to the 36 (report indicates 32, which is in error) community commanders. However, central oversight is needed.

Comment: The Army agrees that central oversight is needed. Since the GAO audit, USAREUR has placed greater emphasis on facilities management and many corrective actions have been taken, or are underway, to improve management and utilization of facilities.

2. USAREUR's instructions and its policy on facility use are not explicit and do not establish utilization or disposal priorities.

Comments:

Existing policies require that all properties found excess to US needs be reported to HQ USAREUR for determination of disposition. Once a property is determined for release, explicit instructions are issued to the US Army Real Estate Agency, Europe for disposal of the property. If priorities for disposal are involved, these are contained in the instructions issued by USAREUR.

USAREUR recently published the Stationing Program (STATPRO) which contains a Facilities Disposition Plan, a means to identify facilities for disposal. Additionally, USAREUR Regulation 405-15, Space Allocation and Use of Facilities is under revision. This regulation and the STATPRO will provide more definitive guidance on facilities utilization and disposal.

3. The management systems are not geared for emphasizing the identification and release of nonessential facilities.

Comments:

The identification of nonessential facilities is a responsibility of the major subordinate commands who manage resources, including real property, assigned to them. USAREUR has periodically issued instructions for the survey of holdings, such as high-rental facilities, placing emphasis on continuing action by the subordinate commands to assess the need, if any, to retain real property accommodations.

USAREUR directives, such as USAREUR Regulation 405-15 and the STATPRO, emphasize the efficient use of facilities and identifying facilities for release when no longer required. Periodically, command letters are sent to reemphasize this policy. Such a command letter, personally signed by the CINCUSAREUR, that emphasized release of rental properties, was sent on 10 Feb 75.

4. Lower level implementation of facility use policy is not effectively monitored.

Comment: USAREUR is emphasizing management improvements for facilities use within available resources. It is anticipated that USAREUR Real Property Inventory Utilization system, now operational, will assist in improving monitoring of facility use.

II. Finding: Utilization data is not reported for several types of facilities and, in those instances where it is reported, the data is inaccurate and unreliable.

Specific Finding: USAREUR prepares utilization reports for bachelor and family housing and some storage facilities. USAREUR officials at all command levels generally consider reported data on utilization to be inaccurate. Utilization of other facilities for administration, training, maintenance, community, and medical services is not reported.

Comment: Recurring utilization reports, except for housing and some storage facilities, are not required by higher authority. These reports are expensive in terms of manpower and maintenance time. However, USAREUR's Real Property Inventory and Facility Utilization System, under development at the time of the GAO review, is now operational. Initial input data for this report was received 30 September 1976. As with any new system, error rates were high but are being reduced as people become familiar with the system. Like the Bachelor Housing Utilization report, accuracy is dependent upon those filling out the forms. It is intended that actual utilization for most facility categories will be reflected in reports for this system. Determination of how well space is being utilized is still dependent upon on-site inspections. Frequency of facility utilization inspection will be specified in the revised USAREUR Regulation 405-15.

III. Finding: Efforts to improve facility management, through computerizing data and long-range planning, have moved slowly and when completed may still not provide the information needed for effective management.

Specific Findings:

1. USAREUR's planned computerized information system will provide data including location, type, condition and dedicated use. Inaccuracies in data received are a problem. Actual utilization may not be reflected on the report.

Comment: See comment on Finding II.

2. Development of USAREUR Master Plans began about three years ago. As of 31 March 1976, only one Phase I stage plan has been approved by USAREUR.

Comment: USAREUR master planning began in CY 74. As of March 1976, one Phase I document had been approved by USAREUR. The community involved, Bamberg, was the one used as a test master-plan community, and began documentation earlier than other communities. As of 29 November 1976, USAREUR communities had completed 18 Phase I documents, 13 Phase II documents and four Phase IV documents. At that time, some of the documents had been approved and the remainder were being reviewed. Scheduled submission date of initial master plans by all USAREUR communities was 31 December 1976. These plans have to be technically and administratively reviewed prior to USAREUR approval.

3. A Stationing plan is being developed. It is geared toward future facilities requirements.

Comment: The purpose of the stationing plan is to support the USAREUR mission. This document was published and distributed 30 June 1976 and is being used as a long-range planning document.

IV. Finding: The Army has paid quarters allowance to bachelors living off post when adequate quarters were available at their installation. The Army recognized that about \$9 million annually could be saved if available quarters were used. GAO estimated, however, that about \$16.7 million could have been saved in 1975 if adequate bachelor quarters, which were available, had been used.

Specific Findings:

1. As of 31 July 1975, an annual utilization report showed that only about 56 percent of the bachelor enlisted quarters and about 77 percent of bachelor officer quarters were being utilized for housing.

Comment: Percentages computed by the GAO from the Bachelor Housing Capacities and Utilization Report were based on gross capacity, which includes authorized diversions and substandard space. This is not an objective basis for computing percentage utilization. Net usable space is the more reasonable base figure. Since 31 July 1975, two additional reports have been submitted, those of 31 January 1976 and 31 July 1976. The 31 January 1976 report shows a utilization of 63 percent if calculated in the same manner as the GAO report. (Calculated on the worst case, actual utilization vs gross capacity, which is contrary to existing regulation which permits diversion of spaces to include those building spaces undergoing MOUSF renovation). Using normally accepted methods, the utilization percentage from the same two reports would be 74 percent and 82 percent, respectively. The reports show significant improvements over that six-month period and efforts are being made to achieve further improvement.

2. GAO estimated that by fully and uniformly implementing policy and procedures regarding utilization of bachelor quarters and payment of BAQ, around \$16.7 million could be saved in quarters allowance.

Comments:

DA policy is to reduce to a minimum the number of bachelors drawing Basic Allowance for Quarters. Progress is being made. For example, the number of bachelor enlisted drawing BAQ in USAREUR was reduced from 4,941 to 4,000 during the period 31 July 1975 to 1 January 1976, as reflected by the Bachelor Housing Capacities and Utilization Report. Although USAREUR housing is not fully utilized, the right housing is not always available at the place needed for the mission. In some places there is housing excess to the number of personnel needed for the mission. On other locations the reverse is true. Thus, mission requirements preclude attaining a perfect balance which would permit eliminating all BAQ payments to bachelor personnel. Nonetheless, additional improvements are needed and steps are being taken to that end.

Command letters were sent out on 3 October 1975 to each USAREUR major command to emphasize the policy of reducing authorizations for living off post. HQ USAREUR included a check of this policy in visits to communities concerning facilities utilization.

3. Department of the Army and USAREUR approval must be obtained before quarters can be diverted. Our analysis of the July 31, 1975, Bachelor Housing Capacities and Utilization Report summaries showed that the total diversion rate for all USAREUR bachelor quarters was 16 percent, or 28,812 spaces.

Comments:

Under existing DA regulations, major Army commanders (MACOM's) are delegated authority to approve diversion of adequate, or substandard may be made adequate (SMBMA), bachelor housing using the following guidelines:

- a. The duration of the diversion should be no longer than 36 months from the date of approval.
- b. The diversion should not result in the dislocation of assigned personnel to other than better or equal facilities.
- c. Total spaces in a diverted status at any one time should not exceed more than ten percent of the installation's adequate or SMBMA assets or 1,200 barracks/100 BOQ spaces, whichever is the lesser.

An information copy of each diversion approval by MACOM's is required to be provided to HQ DA. DA approval to divert substandard bachelor housing is not required.

Based on information copies of diversion approvals by USAREUR and DA 1709 reports, majority of diverted bachelor housing in Europe is located at those installations having excess housing but are short of other types of facilities required to support their mission, such as administrative and storage space.

V. Finding: Family housing is being occupied by some families on a reimbursement basis. Regulations permit this, but the rent being charged by the Army does not cover operation and maintenance costs as required by these regulations.

#### Specific Findings

1. As of 31 December 1975, there were 610 ineligible families occupying government quarters in USAREUR on a reimbursable basis.

Comment: USAREUR does have ineligible military and civilian personnel occupying government housing that is generally excess to Army needs. Assignment of these ineligibles is accomplished in accordance with appropriate DA and USAREUR regulations and is closely controlled. The subject of appropriate reimbursement is covered in the next two Specific Findings.

2. We found that the rental rates are actually based on proration of the family housing funds budgeted for all family housing quarters throughout USAREUR and do not include all overhead costs incurred by USAREUR in managing the Family Housing Management Account for the units.

Comment: USAREUR is revalidating Fair Market Rental rates and total income derived from subject renters for comparison with actual costs incurred for operation and management of the units.

(See GAO Note p. 49)

(See GAO note p. )

VI. Finding: As the result of an Army Audit Agency report, issued in 1974, Army officials in Europe are aware that facilities are under utilized. That report noted that an estimated \$28 million in operation and maintenance costs could be saved annually if activities were consolidated and unneeded facilities returned to the German Government.

GAO's review disclosed that the facilities are still underutilized and that very little effort has been made to consolidate activities and to return facilities to Germany. To the contrary, GAO's review disclosed that in several military installations, activities are spread thin throughout the facilities to show occupancy of space.

Specific Findings:

1. Facilities are still being underutilized and USAREUR officials are doing little to correct the situation.

Comment: The AAA report cited some valid observations concerning excess facilities. Since that time (Feb 74), more than 50 installations have been released. The report did recognize the difficulty in consolidating

activities to use up vacant space; however, USAREUR has more than 800 installations, and the excess space is scattered throughout them in small packets. Due to the imbalance between space requirements of activities and the available space at a given location, there will always be some excess.

2. Augsburg, Bremerhaven, Munich and Stuttgart showed low utilization for long periods. Munich has been underutilized for about eight years.

Comments:

Augsburg is not underutilized now. Two artillery battalions that were allocated from CONUS in June 1976 are now stationed in Augsburg.

Additional units are planned to be relocated to the Bremerhaven area in Jul-Aug 1978. Additional support personnel, including US Air Force Europe units, will more fully utilize Bremerhaven facilities.

Three USAREUR schools moved to Munich from Bremerhaven. This was a result of the space requirements for incoming units at Bremerhaven exceeding the space available in the area. Additionally, it provided for fuller utilization of Munich's housing and transient billeting assets.

USAREUR's current plans include the relocation of several units/activities to the Stuttgart area upon completion of the planned relocation of selected activities from Stuttgart. These planned moves should result in more efficient utilization of facilities in the Stuttgart area.

3. Gablingen Kaserne (Augsburg community) has been vacant for over eight years. It has been the cause of local adverse publicity. The problem of whether USAREUR or the Army Security Agency (ASA) is responsible for the deteriorating buildings should be resolved.

Comment: USAREUR has taken the initiative to resolve the problem at Gablingen. The activities there will be consolidated and USAREUR plans for the unused facilities to be returned to the FRG. ASA has been advised of this intention and instructed to plan accordingly.

4. Retention of facilities for contingencies seem to be a factor in the commanders' decision to retain nonessential facilities. We were told that new forces will be moved into Augsburg, Wiesbaden, and Bremerhaven because of the underutilized space in these communities.

Comments:

Augsburg was identified as the best location for deploying and stationing two rotational field artillery battalions from the operational standpoint. Secondly, it would better utilize facilities which were at that time underutilized.

Wiesbaden was identified as the best location for stationing a rotational Bde. The Weisbaden/Kaiserslautern exchange and reactivation of Sembach AB were necessitated by this stationing action. Wiesbaden facilities were not underutilized; in fact, major relocations of Air Force units to Kaiserslautern had to occur in order to station the brigade in Wiesbaden. Bremerhaven facilities were drawn down to the minimum requirement to support the port operation and the USAREUR schools that were located there.

The decision to locate additional units in NORTHAG necessitated expansion of Bremerhaven facilities to accommodate the units. With the addition of an Air Force beddown requirement in Bremerhaven and the accommodation of the Bde at Garlstedt, Bremerhaven facilities will NOT be underutilized; rather, they will be expanded in order to accommodate the new units.

GAO note: The deleted comments relate to matters which were discussed in the draft report but were deleted from this final report.

PRINCIPAL OFFICIALS RESPONSIBLEFOR ADMINISTERING ACTIVITIESDISCUSSED IN THIS REPORT

	<u>Tenure of office</u>	
	<u>From</u>	<u>To</u>
SECRETARY OF DEFENSE:		
Harold Brown	Jan. 1977	Present
Donald H. Rumsfeld	Nov. 1975	Jan. 1977
James R. Schlesinger	July 1973	Nov. 1975
SECRETARY OF THE ARMY:		
Clifford L. Alexander	Feb. 1977	Present
Martin R. Hoffmann	Aug. 1975	Feb. 1977
Norman R. Augustine (acting)	July 1975	Aug. 1975
Howard H. Callaway	May 1973	July 1975